
TARIFF D.P.U.C No. 1
CELLULAR MOBILE TELEPHONE SERVICE TARIFF

Section 15 (Continued)

- | | | | |
|-----|--|--------|--------|
| (b) | For usage from 25,001 to 62,500 off-peak minutes per month. | \$.07 | \$.30 |
| (c) | For usage from 62,501 to 125,000 off-peak minutes per month. | \$.07 | \$.30 |
| (d) | For usage from 125,001 to 250,000 off-peak minutes per month. | \$.07 | \$.30 |
| (e) | For usage from 250,001 to 500,000 off-peak minutes per month. | \$.07 | \$.30 |
| (f) | For usage from 500,001 to 1,000,000 off-peak minutes per month. | \$.07 | \$.30 |
| (g) | For usage over 1,000,000 off-peak minutes per month. | \$.07 | \$.30 |
| (3) | The minimum monthly usage requirement is 100 billed hours of peak hour usage (cellular mobile station to landline) (or equivalent) per initial 50 number blocks; or 50 billed hours of peak hour usage (cellular mobile station to landline) (or equivalent) per 25 number additional block(s). Minimum usage is billed in advance. If actual usage exceeds the minimum requirements, the Wholesale Customer is billed the difference. | | |

15.4 Discounts

Discounts are provided on cellular access number and usage charges to subscribers based on:

TARIFF D.P.U.C No. 1
CELLULAR MOBILE TELEPHONE SERVICE TARIFF

Section 15 (Continued)

- (a) The quantity of activated numbers within the Band selected and maintained by the Wholesale Customer; and a legally binding commitment to take cellular service continuously from the Company for a period of time specified in the following schedule:

Band	Quantity of Cellular Numbers Activated	Discount (Applied to Total Cellular Number and Usage Charges)			
		Period			
		0-12 Months		13-24 Months	
		Min.	Max.	Min.	Max.
A	Up to 50	0%	15%	0%	15%
B	51 - 350	0%	15%	0%	15%
C	351 - 1,000	0%	15%	0%	15%
D	1,001 - 2,500	0%	15%	0%	15%
E	2,501 - 5,000	0%	15%	0%	15%
F	5,001 - 10,000	0%	15%	0%	15%
G	10,001 - 20,000	0%	15%	0%	15%
H	Over 20,000	0%	15%	0%	15%

The credited discount will be based on the Band and Period selected and applied to the Wholesale Customer's total monthly bill for cellular numbers and usage.

The Wholesale Customer may reestablish or terminate the discount after expiration of the Period selected. If termination occurs prior to the expiration of the Period selected, the discount is deemed unearned and the amount of charges discounted during the Period is due.

If the quantity of activated cellular numbers maintained by the wholesale customer is fewer than the selected Band, an adjustment to the next appropriate lower Band will be effected automatically. The discount difference between the Bands, previously credited, will be debited to the subscriber's monthly bill.

TARIFF D.P.U.C No. 1
CELLULAR MOBILE TELEPHONE SERVICE TARIFF

Section 15 (Continued)

During any Period selected, the Wholesale Customer may amend the selection and select a higher Band or a longer Period, or both and receive the higher appropriate discount.

Discounts will be credited towards the following month's bill after the Company's receipt of satisfactory documentation of the Wholesale Customer's eligibility to receive a discount. For purposes of applying discounts, the longevity of each number block will be determined separately.

- (b) A discount will be provided according to the length of time that a Wholesale Customer has continuously taken cellular mobile telephone service in the State of Connecticut from a Cellular Carrier authorized by the FCC to provide facilities-based cellular mobile telephone service in the State of Connecticut, in accordance with the following schedule:

	0-12 <u>months</u>	13-24 <u>months</u>	25-36 <u>months</u>
Discount	0-10%	0-10%	0-10%
	37-48 <u>months</u>	49-60 <u>months</u>	61-72 <u>months</u>
	0-10%	0-10%	0-10%

- (c) The maximum total discount provided to any subscriber for discounts under subsections (a) and (b) above shall not exceed 15%.

TARIFF D.P.U.C No. 1
CELLULAR MOBILE TELEPHONE SERVICE TARIFF

Section 15 (Continued)

15.5 Optional Services

a. General

The Company may provide one or more of the following features based upon the availability of facilities:

(1) Call Forwarding

Allows an end-user of cellular mobile telephone service to transfer all incoming calls to another telephone automatically during the period of time this feature is activated.

(2) No-Answer Transfer

Allows an end-user of cellular mobile telephone service to transfer all incoming calls to another telephone after a designated number of rings during the period of time this feature is activated.

(3) Three-Way Calling

Enables an end-user of cellular mobile telephone service to add a third party to an established connection without operator assistance. The third party may be called by the user of cellular mobile telephone service initiating the three-way calling on either a local or long distance basis.

(4) Call Waiting

When an end-user of cellular mobile telephone service is talking on the mobile station, a tone will signal that a call is waiting. The incoming caller hears a regular ringing signal. Flashing the hookswitch "holds" the first call while the second is answered. The end-user can alternate between calls by flashing the

TARIFF D.P.U.C No. 1
CELLULAR MOBILE TELEPHONE SERVICE TARIFF

Section 15 (Continued)

hookswitch.

(5) Toll Restriction

No outgoing toll and/or long distance calls can be completed.

(6) Incoming Only

No outgoing calls can be completed.

(7) Outgoing Only

No incoming calls will be accepted.

(8) Speed Calling

Allows selection of up to eight numbers for completing calls to specified destination using shortened code numbers.

(9) Detailed Billing

A supplement to the printed monthly summary bill providing a detailed printed record of usage and toll charges or toll charges only for each cellular number will be available.

- b. The monthly rates for optional services shall be as follows:

	<u>Minimum Amount</u>	<u>Maximum Amount</u>
(1) Call Forwarding, Each Access No.	\$0	\$5
(2) No Answer Transfer, Each Access No.	\$0	\$5

TARIFF D.P.U.C No. 1
CELLULAR MOBILE TELEPHONE SERVICE TARIFF

Section 15 (Continued)

	<u>Minimum Amount</u>	<u>Maximum Amount</u>
(3) Three-Way Calling, Each Access No.	\$0	\$5
(4) Call Waiting, Each Access No.	\$0	\$5
(5) Toll Restriction, Each Access No.	\$0	\$5
(6) Incoming Only, Each Access No.	\$0	\$5
(7) Outgoing Only, Each Access No.	\$0	\$5
(8) Speed Calling, Each Access No.	\$0	\$5
(9) Detailed Billing, Each Access No.	\$0	\$5

15.6 Non-Recurring and Miscellaneous Chargesa. Service Establishment

Service establishment rates apply to work associated with receiving, recording and processing information necessary to execute a subscriber's request for initial establishment of service.

TARIFF D.P.U.C No. 1
CELLULAR MOBILE TELEPHONE SERVICE TARIFF

Section 15 (Continued)

The rates for non-recurring service establishment per number block of access numbers are:

	<u>Minimum Amount</u>	<u>Maximum Amount</u>
Initial 50 number block	\$5	\$50
Each addition 25 number block	\$5	\$25

b. Service Activation

To add, restore or change an access number, or to add, modify or delete services, the rate per change is:

<u>Minimum Amount</u>	<u>Maximum Amount</u>
\$5	\$40

This charge is not applicable when an optional feature is activated at the same time as the access number to which it applies.

TARIFF D.P.U.C No. 1
CELLULAR MOBILE TELEPHONE SERVICE TARIFF

EFFECTIVE WHOLESALE PRICE LIST

1. Security Deposit (Per Number): two and one half months times the estimated monthly charges for access numbers, usage, local exchange service (if any), toll and optional features
2. Service Establishment Charge
 - a. 50 number block: \$30.00
 - b. 25 number block: \$25.00
3. Service Activation Charge

To add, restore or change an Access Number, or to add or modify optional features* per Access Number affected: \$20.00

* Not applicable when an optional feature is activated at the same time as the Access Number to which it applies.
4. Access and Usage Charges
 - (a) Monthly Access Charges (Per Number) \$ Rate Per Month/Number

	<u>Amount</u>
(1) For each cellular number up to 500 numbers (minimum initial order of 50, and subsequent orders in blocks of 25 numbers).	\$20.00
(2) For each cellular number from 501 to 2,000 numbers (in blocks of 25 numbers).	\$20.00

TARIFF D.P.U.C No. 1
CELLULAR MOBILE TELEPHONE SERVICE TARIFF

\$ Rate Per
Month/Number

Amount

- | | | |
|-----|---|---------|
| (3) | For each cellular number from
2,001 to 5,000 numbers (in blocks
of 25 numbers). | \$20.00 |
| (4) | For each cellular number from
5,001 to 10,000 numbers (in blocks
of 25 numbers). | \$20.00 |
| (5) | For each cellular number from
10,001 to 20,000 numbers (in blocks
of 25 numbers). | \$20.00 |
| (6) | For each cellular number over
20,000 numbers (in blocks of
25 numbers). | \$20.00 |

(b) Cellular Usage Charges to Cellular
Wholesale Subscriber (Per Minute)

\$ Rate Per Minute

- | | | |
|-----|---|--------|
| (1) | Peak Period | |
| (a) | For usage up to and
including 100,000
peak minutes per month. | \$.30 |
| (b) | For usage from 100,001
to 250,000 peak minutes
per month. | \$.30 |
| (c) | For usage from 250,001
to 500,000 peak minutes
per month. | \$.30 |
| (d) | For usage from 500,001
to 1,000,000 peak minutes
per month. | \$.30 |

TARIFF D.P.U.C No. 1
CELLULAR MOBILE TELEPHONE SERVICE TARIFF

	<u>\$ Rate Per Minute</u>
(e) For usage from 1,000,001 to 2,000,000 peak minutes per month.	\$.30
(f) For usage from 2,000,001 to 4,000,000 peak minutes per month.	\$.30
(g) For usage over 4,000,000 peak minutes per month.	\$.30
(2) Off Peak Period	
(a) For usage up to and including 25,000 off-peak minutes per month.	\$.18
(b) For usage from 25,001 to 62,500 off-peak minutes per month.	\$.18
(c) For usage from 62,501 to 125,000 off-peak minutes per month.	\$.18
(d) For usage from 125,001 to 250,000 off-peak minutes per month.	\$.18
(e) For usage from 250,001 to 500,000 off-peak minutes per month.	\$.18
(f) For usage from 500,001 to 1,000,000 off-peak minutes per month.	\$.18

TARIFF D.P.U.C No. 1
CELLULAR MOBILE TELEPHONE SERVICE TARIFF

5. Volume and Length of Contract Discount

<u>Quantity of Cellular Numbers Activated</u>		<u>Discount (Applied to Total Cellular Number and Usage Charges)</u>	
		<u>Period</u>	
		<u>0-12 Months</u>	<u>13-24 Months</u>
<u>Band</u>			
A	Up to 50	0%	0%
B	51 - 350	2.0%	3.5%
C	351 - 1,000	2.5%	4.0%
D	1,001 - 2,500	3.0%	4.5%
E	2,501 - 5,000	3.5%	5.0%
F	5,001 - 10,000	4.0%	5.5%
G	10,001 - 20,000	4.5%	6.0%
H	Over 20,000	5.0%	6.5%

6. Length of Service Discounts (Applicable to Access and Usage Charges):

<u>0-12 Months</u>	<u>13-24 Months</u>	<u>25-36 Months</u>
0%	0%	0%
<u>37-48 Months</u>	<u>49-60 Months</u>	<u>61-72 Months</u>
0%	0%	0%

7. Optional Services (Per Service): (\$1.00)

Page 1002	Page 1003
<p>1 A. (Mizecki) Obviously, yes.</p> <p>2 MR. ROSARIO: That's all I</p> <p>3 have.</p> <p>4 THE CHAIRMAN: Thank you, Mr.</p> <p>5 Rosario. Mr. Ryan any redirect.</p> <p>6 MR. RYAN: No redirect.</p> <p>7 THE CHAIRMAN: Then next is</p> <p>8 Mr. Escobar. Before he comes forward, let's</p> <p>9 take a break till 11:00 o'clock and come</p> <p>10 back.</p> <p>11 (Whereupon, the witness was</p> <p>12 excused and a recess was taken from 10:55</p> <p>13 o'clock a.m. until 11:10 o'clock a.m.)</p> <p>14 THE CHAIRMAN: Back on the</p> <p>15 record.</p> <p>16 Mr. Escobar, if you'll stand,</p> <p>17 I'll swear you in, please.</p> <p>18 Raise your right hand.</p> <p>19</p> <p>20 L U I S E S C O B A R,</p> <p>21 called as a witness, being first</p> <p>22 duly sworn by the Chairman, was</p> <p>23 examined, and testified on his oath</p> <p>24 as follows:</p> <p>25</p>	<p>1 THE CHAIRMAN: Mr. Ryan.</p> <p>2</p> <p>3 EXAMINATION</p> <p>4 BY MR. RYAN:</p> <p>5 Q. (Ryan) Mr. Escobar, would you tell</p> <p>6 the Commissioner what positions you hold with</p> <p>7 the various intervening parties in this</p> <p>8 proceeding?</p> <p>9 A. (Escobar) I am the president for</p> <p>10 Escotel Cellular, Escotel - Escotel</p> <p>11 Telecommunications and The Phone Extension.</p> <p>12 Q. (Ryan) And how long have you been</p> <p>13 in the reselling business?</p> <p>14 A. (Escobar) I've been in the</p> <p>15 reselling business since 1985 for cellular.</p> <p>16 Q. (Ryan) And before that, did you</p> <p>17 hold other positions in the</p> <p>18 telecommunications business?</p> <p>19 A. (Escobar) Yes. I worked for MCI,</p> <p>20 ITT Long-Distance Telephone Service, and I</p> <p>21 was also agent and reseller for ITT</p> <p>22 Long-Distance Telephone Service and other</p> <p>23 long-distance telephone companies.</p> <p>24 Q. (Ryan) I have prefile testimony</p> <p>25 dated May 5th, 1994, that you filed in this</p>

*** Notes ***

Page 1004	Page 1005
<p>1 docket, and I believe you indicated to me off</p> <p>2 the record that there was one change that you</p> <p>3 wanted to make or bring to the Commission's</p> <p>4 attention on page 2.</p> <p>5 A. (Escobar) Oh, yes. In Page 2,</p> <p>6 there is a typographical error. It should</p> <p>7 say "kill," not "fill."</p> <p>8 Q. (Ryan) Nine lines down in the first</p> <p>9 paragraph section entitled, "Cross</p> <p>10 Subsidization"?</p> <p>11 A. (Escobar) Yes.</p> <p>12 Q. (Ryan) Would you care to comment on</p> <p>13 the -- since we're on the issue of cross</p> <p>14 subsidization, would you care to comment how</p> <p>15 you as a reseller feel about this issue?</p> <p>16 A. (Escobar) For resellers, we are in</p> <p>17 very difficult situation to be able to</p> <p>18 compete when the carriers arm SNET area, Linx</p> <p>19 and Metro Mobile, Bell Atlantic, the retail</p> <p>20 arm, especially when Linx has been more</p> <p>21 difficult than any other carrier. They have</p> <p>22 preferred treatment, they have previous</p> <p>23 notice of every new cell site or any new</p> <p>24 project or new rates, and the reseller cannot</p> <p>25 compete this way because he realize those</p>	<p>1 programs are in place.</p> <p>2 Q. (Ryan) Well, specifically on the</p> <p>3 issue of the cross subsidization, which is,</p> <p>4 according to your testimony, the financial or</p> <p>5 other assistance that the parent corporation</p> <p>6 gives to its subsidiary, what problems does</p> <p>7 that present to you as a reseller?</p> <p>8 A. (Escobar) I want you to repeat the</p> <p>9 question again, Tom.</p> <p>10 Q. (Ryan) Okay. The cross</p> <p>11 subsidization issue is the issue of the</p> <p>12 parent corporation giving financial or other</p> <p>13 assistance to its subsidiary, in this case,</p> <p>14 SNET Mobility, which is the retail arm. How</p> <p>15 does that affect you as a reseller?</p> <p>16 A. (Escobar) Well, that affected the</p> <p>17 reseller very great because the reseller</p> <p>18 normally don't have the deep pockets like</p> <p>19 Mark Bluemling states to me, you want to be</p> <p>20 in this business, you have to have deep</p> <p>21 pockets, and obviously SNET had deep pockets</p> <p>22 and are able to supply all cash to Linx they</p> <p>23 need.</p> <p>24 Q. (Ryan) Referring to your prefile</p> <p>25 testimony, you state that the offices for</p>

*** Notes ***

Page 1010

1 cannot support or finance the hardware like
2 the way Linx or SNET and Bell Atlantic can
3 do, they able to sell telephone equipment
4 actually below cost, by different ways,
5 either direct marketing by themselves or by
6 paying high commissions to dealers and
7 agents. And these dealers and agents pass or
8 reduce the equipment cost to acquire the
9 subscriber.

10 Q. (Ryan) When you say, "below cost,"
11 what do you mean by below cost?

12 A. (Escobar) Well, the manufacture
13 telephone is a 200 dollar, we'll sell maybe
14 for 179 or in some instances, some dealers
15 they sell it for as little as one penny, I
16 believe, so these practices are encouraged by
17 the carriers, and they affect the consumer
18 and they affect the reseller and mostly the
19 consumer is the one being penalized because
20 lot of those consumers who buy very cheap
21 telephones or low-price telephones eventually
22 cannot pay the telephone bills and then they
23 get in financial straits and pay more what it
24 should be expended.

25 Q. (Ryan) As a private reseller,

*** Notes ***

Page 1011

1 individual reseller, do you feel that you can
2 participate in those type of programs?

3 A. (Escobar) Well, in my particular
4 case, I never sold one telephone, a piece of
5 equipment below my cost. I feel no reseller
6 can do that, because the capital invested is
7 tremendous and most of the resellers who try
8 that approach had been going out of business.

9 Q. (Ryan) Let me touch on the area of
10 denial of equal access that is in your
11 prefile testimony. I believe Mr. Mizeski
12 testified that your Bell Atlantic customers
13 are able to use other long-distance carriers
14 other than SNET America?

15 A. (Escobar) Well, Bell Atlantic we
16 can choose our own carrier. When SNET
17 Cellular not -- when SNET Cellular or
18 Springwich, they choose to have only one
19 carrier, on either carrier they sign.

20 Not too long ago they switched to a
21 long-distance telephone service of their own
22 division. We as a reseller have the
23 opportunity to able to deal with all carriers
24 for lower rates for long-distance telephone
25 service, but SNET prohibit that to us we no

Page 1012

1 able to do.

2 We also, if we provide this service
3 to the consumer, will be able to give better
4 rates than the rates we pay to SNET right
5 now.

6 Q. (Ryan) How are you able to do that?

7 A. (Escobar) Well, most long-distance
8 telephone carriers provide services in bulk
9 also and Bell has in six-second increment.
10 We could perfectly charge the consumers in
11 six-second increment also and pass those
12 discounts to the consumers, too.

13 Q. (Ryan) Some of your opening
14 statements, you touched on the issue of
15 preferential treatment for the carrier
16 in-house retail companies or divisions.

17 Would you like to elaborate on that at all?

18 A. (Escobar) Well, yes. Like in SNET
19 Cellular, Linx have more preferable treatment
20 than any other seller. They have their own
21 billing system, who share with SNET Cellular
22 and SNET Mobility and SNET Linx. They are
23 able to activate and deactivate numbers
24 quickly and faster and our -- with the
25 resellers we cannot do that.

*** Notes ***

Page 1013

1 Q. (Ryan) Have there been instances
2 when the SNET Mobility retail offices have
3 been able to activate numbers over the
4 weekends and you were not made aware of that?

5 A. (Escobar) Several incidents have
6 been happened where the Linx people are
7 opened Saturday and activating number and the
8 reseller was not notified we could do that
9 Saturday.

10 Q. (Ryan) When I say activated I also
11 include change numbers.

12 A. (Escobar) Change and activated.

13 Q. (Ryan) And deactivated, yes.

14 Are there some promotional programs
15 that are offered by SNET Mobility that are
16 not available to you?

17 A. (Escobar) Yes. We talking more
18 specific, probably like American Airlines
19 mileage. In particular, when I heard the
20 person in that program call American Airlines
21 and American Airlines say, well, we only deal
22 with the carriers. I bring the attention to
23 American Airlines the Linx is not the
24 carrier, he is the reseller and the American
25 Airlines person mentioned, well, that's what

Page 1018

1 Q. (Ryan) And what time does that
2 start to run?
3 A. (Escobar) It's supposed to be 30
4 days after.
5 Q. (Ryan) After what, the bill is
6 presented or the call is made?
7 A. (Escobar) The bills are presented.
8 Q. (Ryan) Is it your opinion that
9 Springwich charges interest on top of
10 interest?
11 A. (Escobar) Yes. Several accountants
12 who had been look at my bills, they have
13 confirmed we pay interests on top of
14 interests.
15 Q. (Ryan) Is there, to the best of
16 your knowledge, any provisions in the tariff
17 that allows them to do that?
18 A. (Escobar) I don't recall ever
19 seeing a tariff that they allowed to charge
20 interest on top of interest.
21 Q. (Ryan) Do you remember ever signing
22 any agreement that would allow the
23 calculation of interest to be done in that
24 manner?
25 A. (Escobar) No, I don't remember.

*** Notes ***

Page 1020

1 have to be more than 30,000 dollars per
2 month.
3 Q. (Ryan) You state in your -- the
4 beginning of your prefiled testimony that at
5 least two of your companies have had
6 financial difficulties recently. Do you care
7 to comment on that?
8 A. (Escobar) Well, I know --
9 MR. TYRRELL: Objection, your
10 Honor. I think if we're getting into
11 proceedings in other courts, I think it's
12 somewhat beyond the scope of this docket.
13 THE CHAIRMAN: Wait a minute,
14 Mr. Tyrrell, you're the one that brought up
15 the bankruptcy.
16 MR. TYRRELL: I didn't file
17 it. I believe it was in his direct
18 testimony.
19 THE CHAIRMAN: No, you brought
20 it up first when Mr. Ryan appeared and you
21 questioned about the bankruptcy.
22 MR. TYRRELL: Yes, early
23 today.
24 THE CHAIRMAN: It's overruled.
25 MR. TYRRELL: Okay.

*** Notes ***

Page 1019

1 Q. (Ryan) Just to clarify some
2 testimony that Mr. Mizeski gave, he was
3 basically talking in terms of receiving
4 credit for dropped calls or overlapped calls.
5 You have received credit for fraud calls?
6 A. (Escobar) I received some credits
7 for some fraud calls, yes.
8 Q. (Ryan) And these are calls that are
9 made or appear on your magnetic tapes as if
10 they were made by one of your customers, but
11 were apparently made by cloning an ES number
12 and a mobile telephone number?
13 A. (Escobar) Yes. The problem we have
14 with that is SNET never credit to us or has
15 not been credit to me, the calls for my
16 current or past billing. They choose to have
17 only credit that to my own previous account,
18 and up to today, I never see a policy for
19 fraud calls. They had promised me that
20 policy for the last two years and so far
21 never come with that policy.
22 Q. (Ryan) Have some of the -- excuse
23 me, some of the fraud calls been as high as
24 30,000 dollars in a month?
25 A. (Escobar) Yes, in some instances

Page 102

1 A. (Escobar) I have to make a very
2 difficult decision not too long ago about
3 file bankruptcy for two of my companies
4 because actually I was forced by Southern New
5 England Telephone Company, not because I want
6 to. The small business is enough or I can
7 make enough money to survive, either with 7
8 or 500 customers I can be in business, make
9 revenues.
10 SNET, by overcharge me for
11 telephone calls, dropped calls on credits I
12 give to my customers, improperly billing,
13 they charge me very high interest rate to
14 about 120,000 dollar per year. They force me
15 to take this measure, something I never
16 wanted, and SNET had been taking the position
17 now they want to put me totally out of
18 business by using this bankruptcy court.
19 Probably SNET is more upset with me
20 because I'm the one that been talking more
21 about problems we have, how the consumer been
22 overpaying for services all -- I talking
23 about all the consumers of Connecticut who
24 this is my concern. Every time when I bring
25 some of these issues to Southern New England

Page 1026

Page 1027

1 now. That way they can continue have the
2 monopoly in the wireless industry. They are
3 going to lose land-line telephone customers
4 and they are afraid to that, that other
5 customers come to this area, because they
6 want to continue the monopoly. SNET has been
7 demonstrate by creating a small division,
8 not regulate companies, they can get away
9 with anything and that's my concern. I no
10 think we should allow to SNET or the
11 Commission allow anymore SNET to have
12 unregulate division this way, they can get
13 away and continue to have monopoly.

14 I surprise also last year SNET
15 applied for 158 million dollars rate increase
16 for the land-line area and are expected to
17 get between 30 and 40 million dollars. They
18 never told the public utilities how much
19 money they lost in the paging business and
20 one of the financial statements for Southern
21 New England corporation they show about 20
22 million dollars losses in paging alone, and
23 they never told the public utilities how much
24 they been subsidizing the cellular telephone
25 business. And I no think it's fair to the

1 long-line consumers paying for bills the
2 cellular network, and I'm concerned now with
3 the new announcement is SNET invest 4.5
4 billion dollar in new network. Who is really
5 going to pay for that? I think it's the
6 consumer is going to pay for that, not SNET,
7 because they do have the money a year ago.
8 This was asking for 158 million dollars.

9 Also, I like to recommend the
10 Commissioner to regulate also the retail arm
11 from the cellular carriers. I believe they
12 can eliminate a lot of unfair practices this
13 way. I believe most of the resellers that
14 want to be serious in this business, they
15 should be regulated too, and this protect the
16 consumer and protect the fair competition.

17 Right now SNET Linx offers rate
18 plan for 14.95 and 75 cents a minute, but
19 they been target the general consumer now,
20 but they never tell the general consumer
21 hey, is 75 cents a minute per telephone call.
22 These people only find after they make the
23 first or second telephone bill that they been
24 paid too much for that telephone service.

25 I believe that's the kind of

*** Notes ***

Page 1028

Page 1029

1 misrepresentation for the general consumer.
2 It's only 200,000 customers right now in
3 Connecticut. I believe so about maybe 25 to
4 50,000 subscribers, they have the telephones
5 in the closet or they never use it because
6 they cost for the telephone service or they
7 use the phone one time and costs too much
8 money because then it was totally informal.
9 They were attracted by lower rate plan.

10 It's very interesting to see that
11 Mr. Blumling say there are 14 resellers
12 today and he encourage the resellers, but he
13 never say all these resellers, they have
14 difficult time to grow. If we look the
15 response they give to us, I believe it's
16 in -- excuse me.

17 (Pause.)

18 A. (Escobar) It's an answer to
19 question TE-05, if anybody look that chart
20 right there, in 1987, we have seven
21 resellers, and from that point on you keep
22 looking across the line, not any of the
23 resellers really can grow.

24 The only reseller who grow
25 substantial in customer base was in 1991, is

1 the reseller who acquired three oil companies
2 who decide to get out of the business because
3 they cannot make money in this state. The
4 other resellers, they stayed almost the same
5 or going backwards.

6 Today we have 14 resellers, in
7 1987, we have seven resellers, and the
8 resellers, we only have very little market
9 share at this point versus in 1987 our market
10 share was higher.

11 That indicate to me that I not the
12 only one that have the problem. All the
13 resellers, we have a problem. Either the
14 large reseller, not too long ago they owe
15 millions of dollars to Southern New England
16 Telephone Company and SNET put down more than
17 50 percent of that. But I guess was by
18 signing confidentiality agreement and no
19 disclosure and they cannot bring the issues
20 right here. We need to discuss how to
21 continue this investigation.

22 I have refused to sign the
23 confidentiality agreement, that's why SNET
24 punished me. My intention is not to ever
25 sign as long as I know the consumer is being

*** Notes ***

Page 1034	Page 1035
<p>1 THE CHAIRMAN: Yes. For my 2 information, do you think we can address the 3 issues of the documentation in an open 4 session or would a discussion of the 5 documentation, per se, necessitate a closed 6 session? Because I'd like to do the 7 discussion of scheduling open. 8 MR. KNICKERBOCKER: It could 9 be open, most likely. 10 MS. SPENCER: Without 11 reference to numbers. 12 THE CHAIRMAN: As long as we 13 stay away from the exact numbers. 14 MS. KIDDOO: We can discuss 15 what the procedures are for having developed 16 the numbers and what Mr. Brennan did or did 17 not have in his files or did or did not do 18 without talking about the numbers. 19 THE CHAIRMAN: Okay. I just 20 want to know when we'll go closed and I'd 21 like to keep that discussion open. 22 MR. RYAN: I'd like to address 23 Mr. Tyrrell's objection to my participating 24 in this morning's activity. During the 25 break, I phoned Attorney Ressler, who is, as</p>	<p>1 I indicated, handling the bankruptcy matter 2 for us, and he was not sure whether the 3 official affidavit form had been filed with 4 the court; however, he did point out that 5 there is no prohibition about representing a 6 client in court or in this type of 7 proceeding. The question is whether or not 8 the bankruptcy court would approve of my fee, 9 and that happens to be bad news for me. 10 THE CHAIRMAN: So essentially 11 you are here at your risk. 12 MR. RYAN: What I'd also like 13 to point out, Commissioner, while I was 14 talking with Mr. Ressler, he happened to be 15 on the phone with Attorney William Fish of 16 Tyler, Cooper, handling the bankruptcy for 17 Springwich who informed Mr. Ressler that he 18 informed Mr. Tyrrell the very same rule 19 yesterday during a telephone conversation, so 20 why Mr. Tyrrell proceeded with his motion and 21 objection to my representation today, I'll 22 leave to the Commissioner's evaluation. 23 THE CHAIRMAN: Thank you, Mr. 24 Ryan. Any other administrative items before 25 we start the cross? Okay, then we'll start</p>

*** Notes ***

Page 1036	Page 1037
<p>1 in order. Staff has nothing, I understand. 2 MR. PESCOLIDDO: That's 3 correct. 4 THE CHAIRMAN: Mr. Tyrrell. 5 MR. TYRRELL: Yes, sir. 6 7 EXAMINATION 8 BY MR. TYRRELL: 9 Q. (Tyrrell) Mr. Escobar, I believe in 10 your direct testimony, you testified that you 11 had some discussions with a Charlie 12 Dammling; do you recall that? 13 A. (Escobar) Yes. 14 Q. (Tyrrell) And I believe you 15 testified that it was with regard to you 16 becoming a new reseller for Springwich; is 17 that correct? 18 A. (Escobar) For SNET Cellular. 19 Q. (Tyrrell) Okay. And would the year 20 1990 be approximately correct? 21 A. (Escobar) I can say in 1989. 22 Q. (Tyrrell) And is it also true that 23 Mr. Dammling became associated with Linx or 24 SNET Mobility in 1994? 25 A. (Escobar) I don't know when he</p>	<p>1 start, but I know he been when Linx start. 2 Q. (Tyrrell) In 1994? 3 A. (Escobar) I don't know when he 4 start. 5 Q. (Tyrrell) And in the interim, he 6 was with SNET Paging? 7 A. (Escobar) He was in some capacity 8 with SNET Paging, yes. 9 Q. (Tyrrell) I believe you testified 10 also in your direct that Linx sells one of 11 its service plans for 14.95? 12 A. (Escobar) Yes. 13 Q. (Tyrrell) And that, if I recall 14 your testimony correctly, didn't tell the 15 public about the per-minute charge of 75 16 cents a minute? 17 A. (Escobar) I no say they don't tell 18 the public they charge 75 cents, that going 19 to be more critical to the consumer who they 20 don't know nothing about cellular. 21 Q. (Tyrrell) Okay. Then I'm confused. 22 Was it your testimony or is it your testimony 23 now that they told or didn't tell the public 24 about the 75 cents a minute charge? 25 A. (Escobar) What I try to say is,</p>

*** Notes ***

Page 1042

1 again this year you are raising the same
2 issue; is that correct?

3 A. (Escobar) That's correct, yes.

4 Q. (Tyrrell) Thank you.

5 I believe there was some testimony
6 earlier --

7 A. (Escobar) Before you continue with
8 the next question.

9 Q. (Tyrrell) I'm sorry.

10 A. (Escobar) I want to expand my
11 response to this letter. This letter,
12 obviously Mr. Leonhardt, he is not familiar
13 with billing systems, and then this why he
14 make that opinion, would be cost prohibitive
15 to the telephone company. I could say maybe
16 that is one sentence, a reason or excuse in
17 the land-line telephone service, but no in
18 the cellular telephone service, because in
19 the cellular telephone service, many factors
20 affect that one-minute billing, and my
21 complaints and my contention is when you drop
22 a call, okay, why you going to bill the
23 consumer for two minutes the telephone call.
24 That's not right.

25 Also, when you file tariff back in

*** Notes ***

Page 1044

1 pending.

2 A. (Escobar) Yes, I am in bankruptcy
3 court --

4 THE CHAIRMAN: Mr. Escobar,
5 there is no question pending.

6 THE WITNESS (Escobar): Thank
7 you.

8 BY MR. TYRRELL:

9 Q. (Tyrrell) Mr. Escobar, do you
10 recall earlier this morning when Mr. Mizeski
11 was sitting where you are, we had a
12 discussion about letters that went back and
13 forth between -- or I should say from Mr.
14 Paquette to you with regard to some billing
15 questions. I guess you had submitted to him.
16 Do you recall that general testimony?

17 A. (Escobar) Yes.

18 Q. (Tyrrell) Okay. I'd like to show
19 you, if I may, a copy of the two letters, one
20 dated January 22nd, 1995, to you from Art
21 Paquette.

22 THE CHAIRMAN: Mr. Tyrrell,
23 would you correct that date. We aren't there
24 yet.

25 MR. TYRRELL: I'm sorry, it

*** Notes ***

Page 1043

1 1985, you never told the public utilities how
2 cellular telephone work, and there was, you
3 know, seem to me, the Department of Public
4 Utilities was misrepresent about that issue.
5 They approved to you, yes, indeed to bill in
6 one-minute increments, but they don't know
7 how cellular telephone work. Now this is the
8 time to review that.

9 Q. (Tyrrell) Thank you for your
10 critique.

11 I believe there was some testimony
12 earlier that there was a bankruptcy matter
13 involving your companies, and also a suit in
14 state court; do you recall that testimony?

15 A. (Escobar) Yes.

16 Q. (Tyrrell) And is it true that you
17 are also personally named as a defendant in
18 the state court matter?

19 A. (Escobar) I think so, yes.

20 Q. (Tyrrell) Thank you.

21 A. (Escobar) You want me to clarify
22 that question, too?

23 Q. (Tyrrell) No, thank you.

24 A. (Escobar) I'd like to.

25 Q. (Tyrrell) There's no question

Page 1045

1 was -- the Xerox was such that it looked like
2 a 5, 1993. Correct, Commissioner. And also
3 another letter from Mr. Paquette to you dated
4 May 24th, 1995 --

5 MR. KNAG: Ninety-three.

6 MR. TYRRELL: Ninety-three.

7 I'm sorry. Does anybody need copies?

8 BY MR. TYRRELL:

9 Q. (Tyrrell) Do you recall receiving
10 those letters, Mr. Escobar?

11 A. (Escobar) I will say yes, this is
12 the letter, if I can read the letter all over
13 again.

14 Q. (Tyrrell) Certainly.

15 A. (Escobar) It looks like, okay, but
16 I don't know if that exactly letter.

17 Q. (Tyrrell) I'm sorry, sir?

18 A. (Escobar) I don't know if this is
19 the exact same letter, but, you know, I need
20 to read it.

21 Q. (Tyrrell) Please take your time, I
22 need you to be sure.

23 (Pause.)

24 A. (Escobar) Okay, looks like the
25 letters.

*** Notes ***

Page 1050

1 note?
 2 A. (Escobar) The balance was -- was
 3 101,000 dollars.
 4 Q. (Knag) How much interest did you
 5 pay on that note?
 6 A. (Escobar) In that note, the
 7 interest was something about 10 percent, I
 8 believe so.
 9 Q. (Knag) And how much dollars did you
 10 pay in interest, do you know?
 11 A. (Escobar) Well, I -- I don't what
 12 to figure out, I know my accountants able to
 13 figure out what interest. Apparently we pay
 14 SNET over 6,000 dollars in interests.
 15 Q. (Knag) Did you have any discussions
 16 with anyone at SNET at the time that you
 17 entered into that agreement?
 18 A. (Escobar) Yes.
 19 Q. (Knag) And were you promised
 20 certain things at that time?
 21 A. (Escobar) Yes, I was promised
 22 things about that time.
 23 Q. (Knag) What were you promised?
 24 A. (Escobar) I was promised advertise
 25 money for each company. The Phone Extension

*** Notes ***

Page 1052

1 have no choice to sign those agreements,
 2 otherwise my customer be immediate
 3 disconnect.
 4 Q. (Knag) They told you that they
 5 would disconnect your customer unless you
 6 sign the agreement?
 7 A. (Escobar) Yes, if you don't agree
 8 with these terms, the monthly payment, the
 9 weekly payments, that we will disconnect the
 10 customers.
 11 Q. (Knag) Did you have discussions
 12 about compromising the amount of the debt?
 13 A. (Escobar) Yes.
 14 Q. (Knag) And did you speak with
 15 Mr. -- did you speak with a person at SNET
 16 about compromising the debt?
 17 A. (Escobar) Yes.
 18 Q. (Knag) Who did you speak to?
 19 A. (Escobar) Mark Bluemling, Peter
 20 Tyrrell, Donna Tomayo, Charlie Dammling,
 21 Eddie land-line, almost everybody.
 22 Q. (Knag) At any point in time in
 23 those discussions, was a settlement of the
 24 claim tied in any way to your actions in
 25 making complaints to the DPUC?

*** Notes ***

Page 1051

1 and Escotel Cellular.
 2 Q. (Knag) How much?
 3 A. (Escobar) By that time the
 4 promotion was 50,000 dollars per year per the
 5 company.
 6 Q. (Knag) So 100,000 dollars per year
 7 per company?
 8 A. (Escobar) No, 50,000.
 9 Q. (Knag) I mean 100,000 dollars per
 10 year total?
 11 A. (Escobar) Total, yes.
 12 Q. (Knag) Did you get that advertising
 13 money?
 14 A. (Escobar) I only had one for one
 15 company one time only.
 16 Q. (Knag) Did they tell you that that
 17 made it -- that was going to make it easy for
 18 you to pay off the 500,000 dollars?
 19 A. (Escobar) That's correct, yes.
 20 Q. (Knag) And did you enter into any
 21 other agreements with SNET besides that
 22 agreement, concerning your credit and your
 23 debt?
 24 A. (Escobar) Well, in several cases
 25 SNET put a lot of pressure on me and I don't

Page 1053

1 A. (Escobar) In some instance, there
 2 was looking to me to sign the -- to settle if
 3 I sign no disclosure, nothing that they are
 4 doing wrong.
 5 Q. (Knag) You had to agree that they
 6 were not doing anything wrong?
 7 A. (Escobar) That's correct.
 8 Q. (Knag) And were you willing to
 9 agree that they were not doing anything
 10 wrong?
 11 A. (Escobar) No.
 12 Q. (Knag) Did Mr. Bluemling say
 13 anything to you about the damage was done?
 14 A. (Escobar) Yeah, he mentioned over
 15 the phone if I complain to the public
 16 utility, the damage is done.
 17 Q. (Knag) And what did you understand
 18 him to mean by that?
 19 A. (Escobar) They are going to fight
 20 me all the way.
 21 Q. (Knag) So, if you didn't -- if you
 22 wanted to sell, you better not complain?
 23 A. (Escobar) That's correct.
 24 Q. (Knag) Is that what you understood
 25 him to mean?

Page 1058

Page 1059

1 dollars per month. Then she came with the
2 excuse, well, I'm not the one to inquire, it
3 was Bell Atlantic that was to inquire, why
4 sell it for 28 dollars per month.

5 Q. (Knag) And did you consider that
6 anticompetitive conduct on their part?

7 A. (Escobar) Yes, I feel that because
8 if I have a customer right now at 37 dollars
9 per month, they call the customer and offer
10 as little as 14.95 and 36 cents a minute or
11 37 cents a minute.

12 Q. (Knag) Do you know whether --
13 withdrawn.

14 So, at a certain point in time
15 recently you were forced into a bankruptcy
16 filing; is that correct?

17 A. (Escobar) Yes.

18 Q. (Knag) And after you filed the
19 bankruptcy, did SNET become actively involved
20 in the bankruptcy?

21 A. (Escobar) Yes.

22 Q. (Knag) And did they attempt, and
23 are they attempting at the present time to
24 shut you down by denying you what is called
25 cash collateral, which is the money in your

1 drawer?

2 A. (Escobar) That's correct. They
3 attempt that and many instance also before
4 this proceeding, three days, four days before
5 they try to ask me a lot of questions about
6 this proceeding, and I refused to answer
7 those questions, and they threaten me they
8 are going to take me to bankruptcy judge to
9 answer those questions, I want to reserve my
10 rights for this proceeding and I'm willing to
11 answer any questions who are not related to
12 these proceedings.

13 Q. (Knag) So they used Rule 2004,
14 which is a bankruptcy court rule, that allows
15 creditors to question debtors about their
16 affairs to try to find out information that
17 was relevant to this proceeding?

18 A. (Escobar) That is correct, yes.

19 Q. (Knag) And they did that on the
20 days immediately preceding the first hearing
21 in this case?

22 A. (Escobar) That's correct, yes.

23 Q. (Knag) And, in fact, are there
24 additional hearings that are 2004
25 examinations scheduled for this Monday?

*** Notes ***

Page 1060

Page 1061

1 A. (Escobar) For this coming Wednesday
2 I think it is.

3 Q. (Knag) Wednesday. And what is
4 happening on Wednesday?

5 A. (Escobar) Wednesday they want to
6 link with the attorney in my company, I just
7 learned by during the lunch, we want to
8 introduce a new law firm to enter my
9 antitrust case and SNET opposing to be able
10 to enter or don't let lawyer enter
11 appearance.

12 Q. (Knag) So you're planning to
13 countersue them for antitrust violations?

14 A. (Escobar) That's correct, yes.

15 Q. (Knag) Under the federal and state
16 antitrust laws; is that correct?

17 A. (Escobar) That's correct, yes.

18 Q. (Knag) Now, you talked about
19 bundling of services and you complained about
20 that. Do you consider that an
21 anticompetitive practice?

22 A. (Escobar) Yes, I consider that
23 anticompetitive practice.

24 Q. (Knag) And one of the things that
25 the FCC wants in any state petition to

1 continue regulation is specific allegations
2 of fact regarding anticompetitive or
3 discriminatory practices, you would consider
4 that such an anticompetitive practice?

5 A. (Escobar) That's correct, yes.

6 Q. (Knag) And would you consider the
7 billing practices you described
8 anticompetitive?

9 A. (Escobar) Yes.

10 Q. (Knag) And would you consider the
11 long-distance practices that you described to
12 be anticompetitive?

13 A. (Escobar) That's correct, yes.

14 Q. (Knag) And would you consider the
15 billing activation practices to be
16 anticompetitive and discriminatory?

17 A. (Escobar) Discriminatory, definite,
18 yes, anticompetitive, yes.

19 Q. (Knag) Do you consider the fact
20 that they take information that they learn as
21 your supplier and then use it against you as
22 your competitor, mixing the wholesale and the
23 retail function, to be anticompetitive?

24 A. (Escobar) You want to repeat the
25 question again, please?

*** Notes ***

Page 1066

1 A. (Escobar) Well, there are so many.
2 I can't choose one, but I say the
3 structure.

4 Q. (Bryan) Okay. And why do you
5 consider the rate structure --

6 A. (Escobar) Because the rate --

7 Q. (Bryan) -- For cellular service to
8 be the most anticompetitive?

9 A. (Escobar) A rate structure which
10 SNET Springwch has is only benefit SNET
11 MobileCom, Linx, that's it.

12 Q. (Bryan) And is it the rate
13 structure which you consider then to be the
14 primary reason why the market share of
15 resellers has actually decreased over time,
16 even though the number of resellers has
17 increased?

18 A. (Escobar) Yes, because the
19 resellers are not able to reduce the rate to
20 the customer. When the customer be
21 approached by Linx for 14.95, we cannot go
22 that low.

23 Q. (Bryan) On page 2 of your
24 testimony, under the heading of "Cost
25 Subsidization," you discuss advertising, and

*** Notes ***

Page 1068

1 everyone exactly same size, same space and
2 same books that Linx have and I want a quote
3 from him. I have a quote from him.

4 Q. (Bryan) Do you remember what that
5 quote was?

6 A. (Escobar) I don't remember right
7 now. I no look at that for a couple of years
8 but 100,000 dollars who nobody can afford it.

9 Q. (Bryan) Did you say 100,000?

10 A. (Escobar) More than that.

11 Q. (Bryan) More than 100,000 dollars.

12 A. (Escobar) They give me a breakdown
13 by month. I can provide that information.

14 Q. (Bryan) Okay, if we could have that
15 as a Late-File Exhibit?

16 A. (Escobar) Yes.

17 THE CHAIRMAN: Late-File 26
18 then will be the Yellow Pages advertising
19 quote.

20 BY MS. BRYAN:

21 Q. (Bryan) Do you recall -- or you can
22 include that in the Late-File Exhibit when
23 the quote was given?

24 A. (Escobar) Okay, I have the date.

25 Q. (Bryan) In terms of the bundling, I

*** Notes ***

Page 1067

1 the fact that Linx had large Yellow Page
2 advertisements in every SNET Yellow Page
3 directory published in the state.

4 Was that for any particular time?

5 A. (Escobar) Well, this being happened
6 since the inception of the cellular telephone
7 service. Linx have a priority in the covers
8 of the telephone books who not one of the
9 resellers are able to acquire those spaces
10 and additional, in one of the
11 business-to-business directory, on the
12 telephone companies are Linx the one only
13 been advertise in the telephone service for
14 cellular provider.

15 Q. (Bryan) I think you also state in
16 your testimony that it would be quote,
17 "virtually impossible for an independent
18 reseller to be able to afford such
19 advertising."

20 Do you know what the cost of one
21 large Yellow Page advertisement would be?

22 A. (Escobar) Yes, I have some
23 information I asked the representative from
24 the Yellow Pages book to give me. I want to
25 take advertisement in his telephone books and

Page 1069

1 think you in your direct testimony today, you
2 indicated that phone equipment is sometimes
3 sold at the retail level for as little as one
4 penny?

5 A. (Escobar) Yes, that's correct.

6 Q. (Bryan) Can you tell me what
7 equipment that was?

8 A. (Escobar) Same equipment we sell
9 for two or three hundred dollars.

10 Q. (Bryan) Okay. Now, you're saying
11 that cellular phone equipment is being sold
12 below the wholesale cost as a result of
13 commissions and so on. What, generally,
14 would be the wholesale cost for regular
15 cellular phone?

16 A. (Escobar) Well, depend on the
17 equipment. If the cheaper equipment, you can
18 buy in the marketplace, maybe it's about 150
19 dollars for a mobile unit, one of the older
20 units, they may be obsolete coming out of the
21 marketplace. Hand held phones probably are
22 in the range of couple of hundred dollars,
23 179 dollars, I can give you one sample.
24 Motorola flip phone probably cost 175 bucks,
25 that phone been sold to them for one penny.

Page 1074

1 we have several problems when the customer
2 are calling for, I need cellular telephone
3 service and they operated so immediately they
4 reroute customer to the Linx, not to our
5 company Linx, you know, provide the cellular
6 telephone service.

7 Q. (Bryan) And that was in what year?

8 A. (Escobar) Early 1985. And continue
9 to do it today. You try to call today, I
10 need cellular telephone service, and 90
11 percent of the time they reroute you and they
12 give you the telephone number for Linx.

13 My understanding is that which
14 telephone company — there are several
15 company services — that at least a telephone
16 company, you choose which one you want, but
17 not one of the operator because the SNET
18 employees assume Linx is the only company and
19 they immediately give them the telephone
20 number for Linx.

21 Q. (Bryan) Okay. On page four of your
22 prefile testimony under the heading,
23 "Preferential Treatment of In-house Retail
24 Divisions," you discuss the administration of
25 the switch for activating and deactivating

*** Notes ***

Page 1075

1 cellular telephone numbers or change in
2 features. I'm a little confused on what that
3 switch is. Is there one switch for all of
4 the resellers or just each reseller have a
5 switch?

6 A. (Escobar) Well, the way they
7 operate right now is we have to call SNET
8 Cellular who I don't know if today it's SNET,
9 Linx or SNET Mobility, I don't know today
10 which is really the company, who really is
11 the one providing me the service. We call
12 them and we give it to them the extension
13 number and mobile number to activate the
14 number. That process happen sometimes in 20
15 minutes, sometimes it happens in two minutes
16 and sometimes it happens in two hours, or
17 sometimes that no happen at all.

18 Q. What is the advantage to Linx of
19 having the ability to activate numbers at any
20 time including on the weekend?

21 A. (Escobar) Well, Linx have access
22 direct to the switch and billing system and
23 they can activate the customer at any time.
24 The process can be done very quickly and can
25 do it after hours or any time when they wish.

Page 1076

1 Q. (Bryan) So what is the advantage of
2 that?

3 A. (Escobar) What is the advantage for
4 Linx? They can respond quickly to the
5 customer. On Saturdays we cannot activate
6 numbers, they will activate Saturday numbers
7 or Sunday or holidays.

8 Q. (Bryan) So would it be fair to say
9 also that Linx could potentially add new
10 revenues by being able to hook somebody up on
11 a Saturday instead of having to wait till
12 Monday?

13 A. (Escobar) That's correct, yes.

14 Q. (Bryan) Okay. And you recently
15 found this out how?

16 A. (Escobar) Well, we found it because
17 a customer came to us and he wanted service
18 right away on a holiday, and I could not
19 activate him. Then he called me the next
20 following day to cancel his order number
21 because he said, "You lied to me. We could
22 activate numbers today."

23 Q. (Bryan) And since you became aware
24 of this practice, which your testimony
25 characterizes as preferential and

*** Notes ***

Page 1077

1 anticompetitive, have you contacted
2 Springwich?

3 A. (Escobar) Yes, I have been asking
4 to them many times to give me access to
5 activate numbers and I offer myself back
6 three, four years ago to be a guinea pig to
7 test the system to make available just for
8 one reseller who is not being working out, be
9 user to the full potential.

10 Q. (Bryan) And so you still don't have
11 the ability to activate and deactivate
12 telephone numbers on weekends?

13 A. (Escobar) That's correct. One of
14 the reason also they give me, is you too
15 small, you know, you don't need that.

16 Q. (Bryan) Do you know whether any
17 other reseller besides Linx has this ability?

18 A. (Escobar) Well, I understand that
19 all the resellers might have the ability.
20 They give you the opportunity. I don't know
21 why they don't execute that.

22 Q. (Bryan) Let me make sure I
23 understood your testimony. You're saying
24 that the other resellers besides Linx do now
25 have the ability to activate and deactivate

Page 1082

1 Q (Bryan) And is it your
2 understanding that that manual is supposed to
3 govern your relationship with Springwch
4 except for any other items, tariff items?
5 A. (Escobar) That manual contain
6 thousands -- we do business each other, okay,
7 and there is a section for the tariff, and
8 there is a diagram showing the structure of
9 cellular business, how Linx is totally
10 independent division, but in real life it's
11 not.
12 MS. BRYAN: I'd like to
13 request that that manual be provided as a
14 Late-Filed exhibit. It might be easier to
15 have Springwch provide it, but if it's not
16 too burdensome for you, Mr. Escobar, to
17 provide it, I think that would be appropriate
18 as well.
19 THE CHAIRMAN: This is the
20 Springwch manual for resellers, I guess is
21 the best way to describe it.
22 MS. BRYAN: Yes, and it's
23 referenced in one of the correspondences.
24 THE WITNESS (Escobar): I
25 believe it's in the title of Reseller Guide,

Page 1083

1 I believe.
2 MS. BRYAN: And I think it is
3 indicated in either Late-File Exhibit 24 or
4 5.
5 THE CHAIRMAN: Okay, then
6 Late-File 27 will be the Springwch
7 reseller's guide.
8 MS. BRYAN: I think this is 28
9 because 27 was the advertising quote.
10 THE CHAIRMAN: No, that's 26.
11 MS. BRYAN: I'm sorry.
12 THE CHAIRMAN: Twenty-four was
13 the letter and Leonhardt response, 25 was the
14 two letters, 26 is the Yellow Pages.
15 MS. BRYAN: Okay, got it.
16 Thanks.
17 BY MS. BRYAN:
18 Q. (Bryan) Mr. Escobar, do you want to
19 file that then?
20 A. (Escobar) Excuse me?
21 Q. (Bryan) Can you file that manual?
22 A. (Escobar) Yes.
23 Q. (Bryan) Okay. All right.
24 MS. BRYAN: Thank you. That
25 completes my questions.

*** Notes ***

Page 1084

1 THE CHAIRMAN: Thank you, Ms.
2 Bryan. Mr. Rosario.
3
4 EXAMINATION
5 BY MR. ROSARIO:
6 Q. (Rosario) A few questions for you,
7 Mr. Escobar. I realize you've been here a
8 long time and I don't want to repeat a lot of
9 questions that you've been asked before.
10 You mentioned an agreement that
11 other resellers have been asked to sign. Do
12 you remember that?
13 A. (Escobar) Yes.
14 Q. (Rosario) Is that the
15 confidentiality agreement?
16 A. (Escobar) Yes. No, not
17 confidentiality agreement. I'm talking about
18 the agreement who they give a discount or
19 pardon fees or take a lien in your customers.
20 Q. (Rosario) Were you asked by SNET to
21 sign a confidentiality agreement?
22 A. (Escobar) For that purpose?
23 Q. (Rosario) Yes.
24 A. (Escobar) Yes.
25 Q. (Rosario) Did you refuse to sign a

Page 1085

1 confidentiality agreement?
2 A. (Escobar) Yes.
3 Q. (Rosario) Would that
4 confidentiality agreement prohibit you from
5 telling people about Springwch's prohibition
6 against you switching customers to Metro
7 Mobile, would that confidentiality agreement
8 prevent you from talking about that?
9 A. (Escobar) There is a section for
10 that, yes.
11 Q. (Rosario) Do you know if any
12 other --
13 A. (Escobar) No say specific to Metro
14 Mobile, but other carrier.
15 Q. (Rosario) Okay. To your knowledge,
16 have any other resellers been asked to sign a
17 confidentiality agreement?
18 A. (Escobar) I believe so. Almost
19 every reseller in Connecticut have sign the
20 agreement. Probably the only reseller who
21 don't sign the agreement is GTB Motorola, and
22 the major companies because they know they
23 can fight them, but I even include, I
24 believe, a seller who say 1993 have three
25 customers, I think, so he have agreement

*** Notes ***

Page 1090

1 But in my situation, when that agreement I
2 have, I had customers who are not happy or
3 are dissatisfied with NET, then I lose that
4 customer and they totally -- I lose that
5 business.

6 Q. (Knickerbocker) So are you saying
7 that you don't typically steer a customer to
8 one wholesaler versus the other?

9 A. (Escobar) I provide my services to
10 the customer, depend where he is located and
11 what is the best telephone service for his
12 basic use.

13 If you going to tell me you live in
14 Westport, that town, the majority calls you
15 make, they are in Westport, that town, I
16 would recommend the B system, because the A
17 system is very bad in that area.

18 On the other hand, the customer
19 come and say to me, I'm in the Fairfield area
20 or the Greenwich area, I going to say the
21 customer, the A system is the best for you.
22 I try to give the best system for my
23 customer.

24 Q. (Knickerbocker) So from the point
25 of view of the end-use customer, there are

Page 1091

1 competitive differences between the two
2 carriers?

3 A. (Escobar) ... two
4 carriers are -- they have a lot of difference
5 in the territory they cover, the area they
6 cover, how fast they can correct any problems
7 or the overload of the system.

8 Q. (Knickerbocker) And also according
9 to Mr. Mizeski's testimony, from the point of
10 view of the reseller, there are also
11 competitive differences between the two
12 carriers in such matters as equal access,
13 refunds and things of that nature?

14 A. (Escobar) That's correct, yes.

15 MR. KNICKERBOCKER: Thank you.
16 I have nothing further.

17 THE CHAIRMAN: Mr. Tyrrell.

18 MR. TYRRELL: Yes, I have just
19 a couple of questions on recross, some of the
20 other questions asked after I had my
21 opportunity would deal further than I was
22 able to cover on my cross.

23 THE CHAIRMAN: Okay. Mr.
24 Ryan.

25 MR. TYRRELL: Just a couple of

*** Notes ***

Page 1092

1 questions, that's all they are.

2 MR. RYAN: We have recross.

3 We haven't had redirect yet.

4 THE CHAIRMAN: You want
5 redirect before recross?

6 MR. RYAN: No, I don't want to
7 ask any questions.

8 THE CHAIRMAN: There is no
9 redirect, for the record. Continue.

10 BY MR. TYRRELL:

11 Q. (Tyrrell) Mr. Escobar, you had
12 testified, Mr. Knag was asking you questions
13 about discussions and meetings you had with a
14 group of people, I guess, Mr. Dammling, Mr.
15 Lindblad, Mr. Bluemling, I take it from the
16 types of discussions that you are referring
17 to, it was in a time period from 1990 to
18 1994; is that approximately correct?

19 A. (Escobar) No, before that, too,
20 also.

21 Q. (Tyrrell) Okay. And with regard to
22 the agreements that you were asked to sign or
23 not sign, we're talking from 1990 to 1994?

24 A. (Escobar) From, I can say from 1989
25 on.

Page 1093

1 Q. (Tyrrell) And during all that time
2 you were represented by a law firm, were you
3 not?

4 A. (Escobar) Not all the time.

5 Q. (Tyrrell) You were during the
6 discussions about the agreements, though?

7 A. (Escobar) In some, I signed in the
8 instance of the agreement, by myself.

9 Q. (Tyrrell) And was Mr. Ryan
10 representing you for a number of years?

11 A. (Escobar) In some of those
12 instances, yes.

13 THE CHAIRMAN: Anything
14 further?

15 Thank you, Mr. Escobar, you
16 are excused. We'll take a break till about
17 20 till.

18 (Witness excused.)

19 THE CHAIRMAN: When we come
20 back, I guess Mr. Bluemling, Mr. Brennan and
21 Dr. Hausman are going to come forward. We
22 are going to try and settle the matter on
23 production of materials and then go into
24 scheduling as well.

25 (Whereupon, a recess was taken

*** Notes ***

PR 94-106 ✓

APPENDIX A

APPENDIX B